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Supreme Court of the United States

October Term, 1962

No. 416

In the Matter of the
APPLICATION OF ANDREW ALFORD

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

REPLY BRIEF FOR PETITIONER

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I. THE GOVERNMENT NEVER QUESTIONS THE IMPORTANCE OF DETERMINING WHETHER THE COURT HAS JURISDICTION TO REVIEW PATENT CASES IN THE COURT OF CUSTOMS AND PATENT APPEALS IN PURPORTING TO TAKE NO POSITION ON THIS QUESTION. THE IMPORTANCE OF THIS QUESTION IS NOT NEGATED, BUT RATHER IMPLICITLY EMPHASIZED BY THE GOVERNMENT'S ARGUMENT THAT CONGRESS HAD NO "INTENT" TO VEST CERTIORARI JURISDICTION DESPITE THE EXPRESS PROVISIONS OF THE STATUTE CONFERRING CERTIORARI JURISDICTION TO REVIEW CASES IN THE COURT OF CUSTOMS AND PATENT APPEALS WITH NEITHER STATUTORY LANGUAGE NOR OTHER LANGUAGE IN THE LEGISLATIVE HISTORY FORECLOSING THIS COURT FROM REVIEWING CASES ON PATENT APPEALS.

After stating that it takes no position on whether decisions of the Court of Customs and Patent Appeals in cases on patent appeals from the Patent Office are reviewable on

certiorari by this Court, Brief for the Commissioner p. 5, the Government argues in its entire first point in support of denying the writ that Congress did not confer such jurisdiction on this Court. *Id.* pp. 5-7. The fact that the Government makes this argument on a question expressly left open in *Glidden Co.* v. *Zdanok*, 370 U.S. 530, 578 n. 49 demonstrates that the question is sufficiently special and important to justify review in this Court. MR. JUSTICE HARLAN pointed out the difficulty of reconciling *Postum Cereal Co.* v. *California Nut Co.*, 272 U.S. 693 (1927), Brief for the Commissioner p. 5, with *Hoover Co.* v. *Coe*, 325 U.S. 79, 88 (1945). *Glidden Co.* v. *Zdanok*, 370 U.S. at 576, in a discussion, *Id.*, 575-79, which seems inconsistent with the position of the Government here that Congress had no intent to confer certiorari jurisdiction on this Court to review cases in the Court of Customs and Patent Appeals involving patent appeals.

The basic fallacy in the Government's position is that it ignores the foremost guide to legislative purpose, the words of the statute being interpreted. *United States* v. *American Trucking Ass'ns.*, 310 U.S. 534, 543 (1940). The statute says, "Cases in the Court of Customs and Patent Appeals may be reviewed by the Supreme Court by writ of certiorari." 28 U.S.C. § 1256. Must Congress add, "And we mean what we say."? It would be an unusual legislator indeed who voted to confer certiorari jurisdiction to review cases in an Article III court with "Patent Appeals" in its name and who also thought that these provisions included a hidden purpose to exclude the Court from reviewing cases on patent appeals. The review by an Article III court of a Patent Office decision determining who gets a patent is a case. *United States* v. *Duell*, 172 U.S. 588-89 (1899). And while the Government sees no constitutional objection to accepting certiorari jurisdiction here, Brief for the Commissioner p. 6, it does not discuss the constitutional problem

involved in concluding that the Court is without jurisdiction to review cases on patent appeals. Pet. 12-13.

A serious consequence of adopting the Government's position is that it leaves the Patent Office in the unique position among administrative agencies of having its decisions reviewed by an Article III court inferior to the Supreme Court while prohibiting the Supreme Court from reviewing the decisions of that inferior court. Since the Patent Office administers an entire Title of the United States Code devoted to obtaining and enforcing patent rights, 35 U.S.C. §§ 1-293, the Patent Office, subject to the approval of its supreme court, the Court of Customs and Patent Appeals, could interpret a federal statute differently from the prior construction announced by any or all of the courts of appeals and there would be no way for this Court to review the Patent Office interpretation approved by the Court of Customs and Patent Appeals. It need hardly be stated that the Patent Office, granting thousands of patents annually, is the entity interpreting the patent statutes most frequently and therefore the entity whose interpretation of the patent laws directly affects the most people.

II. The Government's Contention That the Interpretation of the Statutory Provisions Defining the Conditions for Patentability Is Essentially a Question of "Fact" Is Inconsistent with the Ruling of This Court in SUPERMARKET.

The Government contends that review of this case is not appropriate because whether petitioner Alford disclosed a patentable invention is essentially a question of fact. Brief for the Commissioner p. 5. But in reversing the concurrent conclusions of a district court and court of appeals to rule on the patentability of a combination of elements, the Court

said in *A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 153 (1950):

> The questions of general importance considered here are not contingent upon resolving conflicting testimony, for the facts are little in dispute.

That statement applies with even stronger reason in this case because the record now before the Court was passed upon by each decision-making entity below. The majority of the court below, the Patent Office Board of Appeals and the Patent Office Examiner did not dispute the fact that petitioner Alford's invention considerably outperformed the conventional choke coupler in comparative tests. Pet. 25-26. But they all apparently concluded that because the change in mechanical *structure* was slight, they could ignore the unobvious and unexpected great improvement in *results* arising from the unification of these well-known old elements in finding that the statutory conditions for patentability had not been met. Pet. 24, 27-28. But if any objective test of patentability ought to be settled, it is that a slight change in structure which produces a desired great change in results satisfies the most stringent of the statutory conditions for patentability. For it is presumed that skilled workers striving toward an end result want to achieve that result with as many advantages as possible, If an inventor like petitioner Alford recognizes principles apparently not recognized by prior art inventors, and makes a slight change in mechanical structure resulting in a considerable improvement in electrical results, it would seem as if neither principles, improved results nor the desirability of making the slight change in structure; that is, the subject matter as a whole, was obvious to these inventors of extraordinary skill in the art striving for the same end result as petitioner Alford.

Each brief filed on behalf of the Commissioner has avoided discussing what the statutory provisions defining the conditions for patentability mean when they refer to "the subject matter as a whole . . . [being] obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. § 103. See Pet. 29. If we are correct in our understanding that "the subject matter as a whole" embraces new, useful and unexpected results, the cause of a problem, and the principles of operation as well as mechanical structure, then petitioner Alford has met the statutory conditions for patentability.

The Government is in error when it states that the court below concluded that after a person of ordinary skill read the three reference patents and constructed petitioner Alford's invention, "the beneficial results would have appeared obvious (Pet. 26)." Brief for the Commissioner p. 9. The court below actually concluded that once a person understood the problem enough (R. 23) to carry out the research successfully completed by petitioner Alford and discovered the marked improvement in results through such careful tedious measurements, it would be obvious to choose petitioner Alford's claimed invention. This "cart-before-the-horse" analysis, Pet. 33, was repeated by the majority below when it said:

> The structure which is obvious from the prior art thus would, as indicated by the examiner [The contention that the combination produces a new and unexpected result is not considered persuasive since the result set forth by applicant is inherent in the obvious combination of the references . . . . Pet. 24], inherently provide the same results and properties as the device claimed by appellant. Pet. 27-28. *Compare* Pet. 36.

The Government incompletely quoted the following portion from *Supermarket*, Brief for the Commissioner p. 9n. 7:

> A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men. *This patentee has added nothing to the total stock of knowledge, but has merely brought together segments of prior art and claims them in congregation as a monopoly.* 340 U.S. at 152-53 (Sentence omitted by the Government emphasized).

The Court also noted in *Supermarket* that

> This case is wanting in any unusual or surprising consequences from the unification of elements here concerned, and there is nothing to indicate that the lower courts scrutinized the claims in the light of this rather severe test. 340 U.S. at 153.

Petitioner Alford did contribute to the total stock of knowledge. Pet. p. 30 n. 1. The invention he claims does not withdraw what was already known; that is, what the Patent Office Examiner called the "conventional coupler" (R. 62), from the resources available to skillful men in the radio engineering art. And nothing in the majority opinion disputes the fact that the unification of elements by petitioner Alford produced the unusual and surprising consequences established by affidavit evidence. We think that the failure of the court below to recognize that these unusual and surprising consequences from the unification of the claimed elements met what this Court characterized as a "rather severe test" of patentability represents a complete de-

parture from the accepted and usual understanding that a combination of elements meeting this rather severe test satisfies the conditions for patentability in 35 U.S.C. § 103 codifying a long line of decisions of this Court.

While the Government cites cases holding that a patent should not be granted for the discovery of results that would flow naturally from the teachings of the prior art; that is, expected results, Brief for the Commissioner p. 9 n.7, that line of cases has no relevance to the unexpected and unobvious results evident in this record. Even the majority recognized that petitioner Alford's discovery could not be characterized as flowing naturally from the prior art. This same line of cases was cited to the court below, C.C.P.A. Brief for Commissioner p. 10, yet not one of these cases was cited in the majority opinion. Pet. 21-28. The majority apparently accepts the existence of new and unexpected results, Pet. 34, but refuses to apply what this Court recognized as a rather severe test in *Supermarket*.

Finally, the Government states:

> It is significant that petitioner cites no authority for the position that the issuance of a patent is required merely because new and useful results are achieved by the combination of old elements. Brief for Commissioner p. 8.

This Court has never decided the point in connection with ordering the issuance of a patent to our knowledge. While we did point out the inconsistency of a later decision of the court below in an opinion by Judge Smith, Pet. 17n. 18, who dissents here, Pet. 36-39, it seems better to us to let the dissents explain to the majority the inconsistency of the majority decision with prior decisions of the court below. Pet. 32, 39. But to suggest that the rule of law applied by the court below in conflict with decisions of this Court

and courts of appeals is not the type of conflict supporting review in this Court because the latter decisions applied the rule to issued patents while the court below applied the rule in refusing to initially grant a patent, Brief for Commissioner pp. 8-9n. 5, is to suggest that the statutory provisions governing the conditions for patentability set standards for all but one Article III court different from those applied in the remaining Article III court, the Court of Customs and Patent Appeals, and the Patent Office so that it is easier for the Patent Office to refuse the grant of a patent than for the courts to invalidate one. Nothing in 35 U.S.C. § 103 or its legislative history supports this odd result. Quite to the contrary, the committee report with respect to this section states:

> This section should have a stabilizing effect and minimize great departures which have appeared in some cases. H.R. REP. No. 1923, 82nd Cong., 2d Sess. 7 (1952).

That report also states that this standard has been in existence for over 100 years, but only through decisions of the courts. *Ibid.*

But if a recent article in a leading businessmen's magazine accurately reflects what has really happened during the nearly ten years that section 103 has been in force without being interpreted by this Court, the stabilizing effect sought by Congress in enacting this section has at best been realized incompletely. The author of that article said under the heading, "The Supreme Court loses interest":

> . . . The effect of this denial of the Court's services has been to leave patent cases in the eleven appeals courts. With these the inventor's problem, and sometimes his opportunity, is that each court has its own highly indi-

> vidualistic attitude toward patent law. If the inventor wants to defend his patent against infringement, for example, he is well advised to have his case tried in the Fourth Circuit . . . ; if, on the other hand, a manufacturer wants to defend himself against an alleged infringement of a patent, he would find the Eighth Circuit . . . generally disposed to be "anti-patent." *Bryant, The Patent Mess* in FORTUNE 111, 113 (September 1962).

If courts accept the Government's suggestion that statutory conditions for patentability involve essentially a question of fact, Brief for the Commissioner p. 5, subject to reversal only if clearly erroneous, FED. R. CIV. P. 52(a), then conceivably a patent might be found invalid as to one alleged infringer while in a subsequent suit between the patentee and a second alleged infringer, the patent could be held valid.[1] If, as is likely, there is business competition between the two alleged infringers, such contrary results would be highly undesirable, both from the point of view

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[1] *Compare Aghnides* v. *S. H. Kress & Co.*, 140 F. Supp. 582 (M.D.N.C. 1956) (holding patent No. 2,210,846 valid), *with Aghnides* v. *Goodrie*, 210 F.2d 859 (7th Cir.), *cert. denied*, 348 U.S. 826 (1954) (affirming a lower court invalidation of the same patent on the basis of findings of anticipation and lack of invention as supported by adequate evidence).

In *Aghnides* v. *Holden*, 226 F.2d 949 (7th Cir. 1955) it was held that although this same patent was found invalid in the earlier suit against Goodrie, plaintiffs were not barred from maintaining an action for infringement against other defendants not in privity with the defendants in the prior action. If conditions for patentability were treated as a question of law, the wider latitude accorded appellate courts in reviewing questions of law would allow them to attain a greater degree of uniformity in the interpretation of section 103. The wholesome doctrine of stare decisis could then be applied to discourage the type of multiple litigation in the same circuit on the same patent exemplified by the *Aghnides* cases.

Since application of the conditions for patentability turns largely on documentary evidence, and this is especially true in Patent Office

of promoting fair competition and with respect to the avowed policy of Congress to promote uniformity in the determination of patentability in all Article III courts and in the Patent Office.

The Government's brief is directed primarily to arguing various issues on the merits. It does not urge that the answers to the jurisdictional question and the interpretation of the first statutory definition of conditions for patentability in the history of the patent laws are unimportant. Regardless of the answers, it is important that this Court clarify and stabilize these cloudy areas by answering the questions presented in the petition.

Conclusion

For at least the foregoing reasons and those presented in the petition, the petition for writ of certiorari should be granted.

Respectfully submitted,

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proceedings, the appellate courts are at little disadvantage with respect to the inferior tribunal in making a separate determination. Even when witnesses do testify, they are usually experts whose demeanor has little bearing on the value of the evidence presented; therefore, as a practical matter, appellate courts can make their own decisions with little fear that they have missed some vital subjective element not available in the record.